



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Brown, Mital, Helgeson, Manning, and Simpson  
FROM: Mel Damewood, Engineering Manager and Philip Peterson, Staff Engineer  
DATE: May 22, 2014  
SUBJECT: 115kV/230kV Circuit Breaker Contract Approval  
OBJECTIVE: Board Action - Approval of Purchasing Contract 002-2014

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## **Issue Statement:**

On June 3, 2014 staff will be requesting the approval of a long-term purchasing contract for 115kV/230kV Circuit Breakers from Alstom Grid Incorporated of Charleroi, Pennsylvania.

## **Background:**

EWEB uses circuit breakers to safely isolate sections of our high-voltage electric transmission system. These circuit breakers are used for normal safety or operational switching operations as well as rapid automatically switching that occurs during power system events. Circuit breakers are a critical component to the operation and safety of EWEB's high-voltage transmission system.

EWEB currently has 45 oil circuit breakers in service throughout the transmission system. These oil circuit breakers have reached the end of their expected life and an ongoing Capital effort by staff is to replace these oil circuit breakers with new SF<sub>6</sub> circuit breakers. These new breakers are safer (less massive operating mechanisms), less expensive to operate (less power requirements and less frequent maintenance intervals), and are better for the environment due to not containing several hundred gallons of mineral oil.

EWEB had previously held a purchasing contract for high-voltage circuit breakers but it reached the end of its term and a new purchasing contract is required.

## **Discussion:**

EWEB issued RFP 002-2014 in February of 2014, inviting circuit breaker manufacturers to submit a solution to EWEB based on EWEB's material specification. From this solicitation six (6) proposals were evaluated by staff and it was agreed that the proposal from Alstom Grid Incorporated was the superior bid.

It is staff's intention to enter a long-term (5-years) purchasing contract with Alstom Grid Inc. to create consistency throughout EWEB's high-voltage transmission system and limit technical crew retraining and engineering re-design effort that would be associated with purchasing circuit breakers on an "as needed" basis without the secured source provided by a purchasing contract.

The contract amount is \$1,900,000 over the 5-year period. All purchases authorized by this contract

will be budgeted annually; however EWEB expects to spend \$360,000 annual over the life of the contact.

**Recommendation/Requested Board Action:**

Staff recommends the approval of purchasing contract 002-2014 with Alstom Grid Inc. for the purchase of 115kV/230kV circuit breakers for up to five (5) years.

**EWEB BOARD AGENDA ITEM ACTION REQUEST**  
**For Contract Awards, Renewals, and Increases generally over \$1 million**

The Board is being asked to approve a contract with **Alstom Grid Inc.** for **115kV/230kV Circuit Breakers**.

Backgrounder ("See backgrounder information") Yes

Board Meeting Date: June 3, 2014

Project Name/Contract#: 115kV/230kV Circuit Breakers /002-2014

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Ramie Alkire Ext. 7413

**Action Requested:**

- Contract Award
- Contract Renewal
- Contract Increase
- Other

**Funding Source:**

- Budget
- Reserves
- New Revenue
- Bonding
- Other

**Contract Amount:**

Original Contract Amount: \$ 1,900,000 over 5 years

Additional \$ Previously Approved: \$ n/a

Invoices over last approval: \$ n/a

Percentage over last approval: n/a %

Amount this Request: \$ 1,900,000 over 5 years

**Resulting Cumulative Total:** \$ **1,900,000 over 5 years**

**Form of Contract:**

- Single Purchase
- Services
- Personal Services
- Construction
- IGA
- Price Agreement
- Other

**Contracting Method:**

Method of Solicitation: Formal Request for Proposals

If applicable, basis for exemption: n/a

Term of Agreement: June 4, 2014-June 3, 2015

Option to Renew? Yes, 4 additional renewals

Approval for purchases "*as needed*" for the life of the contract Yes

**Narrative:**

The Board is being asked to approve a new contract with **Alstom Grid Inc.** of Charleroi, Pennsylvania for the purchase of 115kV and 230kV Circuit Breakers on an as needed basis.

EWEB requires 115kV and 230kV Circuit Breakers to safely isolate sections of the high-voltage power system and to isolate sections of the power system during system events. These circuit breakers will be used to replace the current aging circuit breaker infrastructure. In addition, the replacements will also remove several hundred gallons of mineral oil from EWEB substations and for new construction.

In February 2014, EWEB issued a formal Request for Proposal to select a supplier and establish a price agreement for the purchase of 115kV and 230kV Circuit Breakers. Six responses were received. Alstom Grid, Inc. was selected based on the evaluation criteria in the Request for Proposals.

Historical procurement data suggests that the total contract amount will be approximately \$1,900,000 over the total five-year period. The actual total dollar amount, however, is unknown and may be more or less than that estimated volume. Purchases will be based on need and not on any specific annual quantity. The annual cost will be within the amount budgeted for that specific year.

If approved, staff will purchase 115kV and 230kV Circuit Breakers at the established prices, over the life of the contract. The contract is for one-year with the option to renew for four additional one-year periods.

**ACTION REQUESTED:**

Management requests Board approve a contract with **Alstom Grid Inc.** for **115kV/230kV Circuit Breakers**. Funds for these purchases were budgeted for 2014 and will be budgeted annually.

SIGNATURES:

Project Coordinator: \_\_\_\_\_

Manager: \_\_\_\_\_

Purchasing Manager: \_\_\_\_\_

General Manager: \_\_\_\_\_

Board Approval Date: \_\_\_\_\_

Secretary/Assistant Secretary verification: \_\_\_\_\_